

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 378 – SB 605

April 1, 2013

**SUMMARY OF ORIGINAL BILL:** Authorizes the Department of Economic and Community Development (ECD) to reduce the amount of money, grants, funds, or other incentives disbursed by the Department to any legal entity if such entity fails to create jobs as proposed in the entity's application for such money, grants, funds, or other incentives.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (005816):** Deletes all language after the enacting clause. Requires the Department of Economic and Community Development (ECD) to execute a separate agreement in conjunction with any FastTrack development grant or loan contract that reserves the right of ECD to recover the amount of money, grants, funds, or other incentives disbursed by ECD, in whole or in part, if the person or entity benefitting from such money, grants, funds, or other incentives fails to fulfill the commitments made by such person or entity to ECD.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- ECD will execute such an agreement in conjunction with all of its future FastTrack development contracts, reserving the right to recover the money, grants, funds, or other incentives if the benefitting party fails to fulfill the commitments made to ECD.
- ECD is currently in the process of implementing accountability agreements as requirements in some of its incentive grants.
- To the extent money, grants, funds, or other incentives are withheld from certain entities as a direct result of this bill as amended, such money, grants, funds, and other incentives of equal amounts will be distributed to other qualified applicants. Any net change to the amount of funds or incentives distributed is estimated to be not significant.

HB 378 – SB 605

- Authorizing ECD to execute such agreements in conjunction with all of its FastTrack development contracts will not result in a significant fiscal impact to the Department and can be accommodated within existing resources without an increased appropriation or a reduced reversion.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/bos